

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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DISTRICT 65 PENSION PLAN by its trustees	:	NO. 07-cv-6543 (WHP)
PABLO VALCARCEL, BEVERLY GANS,	:	
ZARKO RAJACICH, HERBERT RICKLIN,	:	
and SERGIO ACOSTA,	:	
	:	
Plaintiffs	:	
	:	
v.	:	
	:	
DEMARCO CALIFORNIA FABRICS, INC..	:	
MICHAEL MARCO, MAX MARCO, PEARL	:	
ANN MARCO, DANIEL MARCO and DOES	:	
1 THROUGH 10,	:	
	:	
Defendants	:	JOINT DISCOVERY PLAN
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Plaintiffs and Defendants herein, through their counsel, hereby submit the following Joint Discovery Plan pursuant to Fed. R. Civ. Pro. 26(f).

(1) Initial Disclosures Pursuant to Fed. R. Civ. Pro. 26(a)(1)

To date, neither party has submitted initial disclosures pursuant to Federal Rule of Civil Procedure 26(a)(1). The parties expect to exchange their initial disclosures no later than November 30, 2007.

(2) Subjects on Which Discovery May Be Needed

Plaintiffs will seek discovery concerning the distribution and dissolution of Demarco California Fabrics, Inc.'s assets while the Company was in economic decline. Other subjects may become apparent as discovery develops.

Defendants will seek discovery of , in general, Plaintiffs' knowledge of the business circumstances of the corporate Defendant in the relevant time period, including written and oral communications related thereto; the factual basis of Plaintiffs' claims regarding an entitlement to "pierce the corporate veil", including domination of the corporate Defendant by the individual Defendant; and the perpetration of a fraud or wrong against the Plaintiffs.

(3) Discovery of Electronically Stored Information

At this time the parties are not aware of any special issues concerning disclosure of electronically stored information.

(4) Issues Relating to Claims of Privilege

At this time, the parties are not aware of any claims of privilege that may be evoked in this matter.

(5) Limitations on Discovery

At this time, the parties do not perceive the need to make any changes in the limitations on discovery or to impose any additional limitations on either party's discovery.

(6) Other Orders

The parties do not perceive any need for any protective order, or any other orders relating to Discovery other than a scheduling order.

/s/ Jeremy E. Meyer
Attorney for Plaintiffs

11/2/07
date

/s/ Harlan M. Lazarus
Attorney for Defendants

11/2/07
date